

1 ANDRÉ BIROTTE JR
United States Attorney
2 SANDRA R. BROWN
Assistant United States Attorney
3 Chief, Tax Division
DARWIN THOMAS (SBN 80745)
4 Assistant United States Attorney
Room 7211 Federal Building
5 300 North Los Angeles Street
Los Angeles, California 90012
6

7 SEAN M. GREEN
D.C. Bar No. 978858
8 Trial Attorney, Tax Division
U.S. Department of Justice
9 Post Office Box 7238
Ben Franklin Station
10 Washington, D.C. 20044
Telephone: (202) 307-2554
11 Facsimile: (202) 514-6770

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12 Attorneys for the United States
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15 IN THE UNITED STATES DISTRICT COURT FOR THE
CENTRAL DISTRICT OF CALIFORNIA

16 THE UNITED STATES OF AMERICA,)

17 Plaintiff,)

18 v.)

19 LAMAR ELLIS,)

20 Defendant.)

Civil No. 2:11-CV-05402-JAK(VBKx)

DEFAULT JUDGMENT AND
PERMANENT INJUNCTION

HON. JOHN A. KRONSTADT

Motion Hearing:
Date: December 19, 2011
Time: 8:30 a.m.
Crm: 750
United States Courthouse
255 East Temple Street
Los Angeles, CA 90012

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1 The Motion for Entry of Default Judgment and Permanent Injunction, filed
2 by the United States, which was set for hearing on December 19, 2011, was
3 submitted to the Court. Based on the plaintiff's Motion for Entry of Default
4 Judgment and Permanent Injunction, on the complaint and all other papers filed in
5 this case, on the arguments advanced by the parties in connection with the
6 government's motion for entry of default judgment, and on all matters properly
7 part of the record in this proceeding

8 IT IS ORDERED, ADJUDGED, AND DECREED THAT:

9 Permanent injunctive relief under 26 U.S.C. §§ 7402 and 7408 is
10 appropriate. Therefore, Lamar Ellis, and anyone in active concert or participation
11 with him, are permanently enjoined from:

12 (1) Organizing, promoting, marketing, or selling his tax-credit scheme, or
13 any other plan or arrangement that advises or encourages customers to attempt to
14 violate the internal revenue laws or unlawfully evade the assessment or collection
15 of their federal tax liabilities;

16 (2) Making false or fraudulent statements about securing a tax benefit by
17 reason of participating in any plan or arrangement, including statements that Ellis
18 possesses and can sell or otherwise transfer tax credits that can be used by
19 participants to reduce their federal income tax liabilities;

20 (3) Engaging in conduct subject to penalty under 26 U.S.C. § 6700, *i.e.*, by
21 making or furnishing, in connection with the organization or sale of a shelter, plan,
22 or arrangement, a statement the defendant knows or has reason to know to be false
23 or fraudulent as to any material matter under the federal tax law, including:

24 (a) contracting with any entity to sell or otherwise transfer business tax
25 credits to others;

26 (b) organizing, creating, or administering, any trust that purports to hold or
27 distribute tax credits to others;

1 (c) representing to others that he can market, sell, give away or otherwise
2 transfer tax credits to them.

3 (4) Engaging in conduct subject to penalty under 26 U.S.C. § 6701, *i.e.*,
4 preparing or assisting others in the preparation of any tax forms or other documents
5 to be used in connection with any material matter arising under the internal
6 revenue laws and which the defendant knows will (if so used) result in the
7 understatement of tax liability, including preparing any forms or documents that
8 purport to entitle himself or others to general business tax credits;

9 (5) Engaging in any conduct that interferes with the administration and
10 enforcement of the internal revenue laws, including attempting to sell,
11 loan, or give away purported general business tax credits;

12 (6) Engaging in any conduct subject to penalty under any other section of the
13 Internal Revenue Code.

14 IT IS FURTHER ORDERED THAT:

15 A. Lamar Ellis must produce to the United States a list of the names, addresses,
16 e-mail addresses, telephone numbers, and social security or tax identification
17 numbers of all persons to whom he has purported to distribute any tax credits and
18 to file with the Court, within 20 days of the date the permanent injunction is
19 entered, a certification that he has done so;

20 B. Lamar Ellis contact by mail all persons to whom he has purported to
21 distribute any tax credits and furnish them with a copy of the permanent injunction
22 issued against him, and file with the Court, within 20 days of the date the
23 permanent injunction is entered, a certification that he has done so;

24 C. The United States is permitted to engage in post-judgment discovery to
25 ensure compliance with the permanent injunction;

26 D. This Court retains jurisdiction over this action for purposes of implementing
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1 and enforcing the final judgment and any additional orders necessary and
2 appropriate to the public interest; and

3 E. Ellis and anyone in active concert or participation with him, must remove
4 from his websites and all other websites over which he has control, all tax-fraud
5 scheme promotional materials, false commercial speech regarding the internal
6 revenue laws, and speech likely to incite others imminently to violate the internal
7 revenue laws; to display prominently at the top of the first page of those websites a
8 complete copy of the permanent injunction; and to maintain it on those websites
9 for one year.

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11 IT IS SO ORDERED.

12 Dated: December 22, 2011



13 HON. JOHN A. KRONSTADT
14 United States District Judge

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16 Respectfully submitted,

17 ANDRÉ BIROTTE JR.
18 United States Attorney
19 SANDRA R. BROWN
20 Assistant United States Attorney
21 Chief, Tax Division

22 /s/ Sean M. Green
23 Sean M. Green
24 Department of Justice, Tax Division

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